EGED ALICE

The Berlin public in the 1920s III.

The Sklarz-Parvus case:
the "eight pennies people" of the German government[1]

In 1927, if you looked up the seventh volume of the lavishly produced Meyers Encyclopaedia, under the heading corruption, you would find that the Latin word means bribery. The explanation of the adjective corrupt, however, did not stop with the idea that one could be bribed, but was supplemented by the primarily moral definition of *corrupt, rotten, broken, bad.*

The reports given are very apt, because corruption does indeed corrupt and break down moral norms and the rule of law. It is a real threat to the security of society because it infiltrates political, economic and social structures. It distorts the functioning of democratic institutions and reduces confidence in them. It corrupts the individual, the community and erodes people's trust in each other. Although it has long been part of human coexistence, there is no single definition because it has many faces and is in many respects elusive, yet we intuitively know what corruption is. Yet it is not easy to define, because its social embeddedness varies and the norm by which we judge it is highly culture-dependent.

In the public discourse, corruption is most often associated with power, morality and money, and it is easy to identify with Lord Acton's aphorism that power corrupts and absolute power corrupts absolutely. It can also be inferred that power and corruption are mutually presuppositional, that is, that they are system-independent, universal phenomena.

[1] The above article is a continuation of an essay on the public sphere in Berlin in the 1920s, published in the previous issue of *Mediárium*, which can be read as a separate chapter. *Achtgroschenjunge" (Achtgroschenjunge*) means "eight-krschen man": *a snoop.* Fritz Platten called Sklarz by this name. Platten was a Swiss social democrat and later communist politician who organised the technical details of Lenin's 1917 repatriation through Germany.

The frequent appearance of the term corruption on the front pages of newspapers was not particularly new to the citizens of the Weimar Republic. In the context of alleged electoral fraud in imperial Germany, the often questionable lending practices of the banks, and the dysfunctioning of the business world and the judiciary, the mention of corruption had become almost part of the normal routine. Newspaper reports on foreign Panamanians were also quite regular. The word *Panama* itself became synonymous with political corruption in the German language following the bribery scandal that forced the resignation of two French governments.[2]

The short history of the Weimar Republic was full of cases of suspected corruption. A frequent feature of the internal political battles was that political opponents and, not infrequently, political allies were accused of corruption. The history of the democratic state and the actions of its leaders were linked to scandals even before the new system was established. One of the most high-profile cases the *Sklarz-Parvus affair* in the late autumn of 1919, which was often the starting point for later harsh political attacks on the Weimar Republic.

From the beginning, the case had anti-Semitic overtones.In 1920, a pamphlet was published under the pseudonym Sincton Upclair, whose authoraccording to his own claim, set out to write the truth about the Sklarz case.[3] The author, whose real name has remained a mystery ever since, described the Sklarz phenomenon and its context, the Weimar intermarriage, as a society in which individuals, obeying the orders of the rat king, devour each other and destroy the still healthy fabric of society.

[2] The financial scandal surrounding the construction of the Panama Canal also reached the French political elite, leading to the resignation of two prime ministers in 1892 and 1893.

[3] It's about "untangling" the name of Pulitzer Prize-winning author and journalist Upton Sinclair, who led an adventurous life exposing the evils of American public life. Sinclair's approach to his work involved meticulous collection of material, fieldwork and the production of compelling documentation. He was a popular writer in Germany, and readers were most familiar with his novel in translation, *Der Sunf* (=The Swamp). was no coincidence that Sinclair's name was changed by the pseudonymous author.

The rats, illustrated with drawings, were identified by the author with the usurious, war-rich speculative Eastern Jews who used their accumulated wealth to gain political power. The story associated the new form of public corporation and the institution of parliamentarianism with corruption, and portrayed the new state as big business, a revolutionary black economy. And he portrayed the leaders of the November Revolution, which overthrew the monarchy, as having unleashed hungry rats on the country.

Who are the main players in the scandal and what really happened?

It is worth noting at the outset that this is a case in which the accused, the bribed and the accusers all come from the same political spectrum: they were politically or at least close to the Social Democratic Party (SPD). From the autumn of 1919 onwards, the names of Georg Sklarz and Alexander Parvus (originally Israel Lasarewitsch Helphand) were to be found with considerable frequency in the pages of the daily papers. In their analysis of the events of a year earlier, the articles repeatedly questioned the veracity of the allegations that the above-mentioned businessmen had used their businesses to provide the revolutionary government formed by the Social Democratic parties and the families of the government members with food supplies in public funds, and had then played an important role in the suppression of the Spartacus uprising.

The help is suspected to have been used by the SPD, which is retaining power, to overpay bills.

and government orders in return. Some sources have also ruled out the possibility that some of the party leaders, as well as Sklarz and Parvus, were linked to the assassinations of Karl Liebknecht and Rosa Luxemburg (Geyer 2010. 64; Klein 2014. 112) It is also known that Sklarz founded a security company on 11 November 1918 under the name Neue Berliner Wach- und Schließgesellschaft. He recruited volunteers and armed them with weapons. Fritz Henks, the son-in-law of Philipp Scheidemann, the first head of government of the Weimar Republic, became the company's managing director.

This armed group was responsible for law enforcement. Some of its units were deployed to the Reichstag, and were actually involved in protecting the SPD leaders during the winter fighting, and Sklarz even protected some Social Democratic politicians - Scheidemann, who fled the capital, Gustav Noske, later Minister of War, and the SPD's President of the Bundestag - from the attack.

minister and Friedrich Ebert, who would be elected president of the republic in less than two months, gave him temporary accommodation and personal protection in his own house. But many questions remained unanswered, such as what contracts governed the relationship between the government and these companies, who authorised the guardian-protection company and by whom, where the weapons came from, who financed their operations, and what links did they have with the official police?

What made it more difficult to see clearly was that it had in the meantime emerged that one of Sklarz's subordinates, the SPD member Ernst Sonnenfeld and his secretary Gertrud Schlack, had used one and a half million marks of their boss's money to unlock a wheel to the Netherlands. In the newspapers, the young man's father, Hermann Sonnenfeld's son, defended his actions, claiming that was a lot of about Sklarz and Parvus's business and sharply attacking the SPD leaders for having done dubious business with the entrepreneurs (Albrecht 2002. 133-134).

Soon the SPD was under attack from places where no one expected it. Georg Davidsohn, the SPD's Reichstag representative, and Albert Baumeister, a former colleague of Parvus, confirmed the accusations in several respects. As the SPD did not immediately seek to clear the matter, the perpetrators of the serious accusations went to the press, peddling the story and presenting the evidence that the young people had taken with them from the company's safes. (Geyer 2014. 341) Hermann Sonnenfeld sent the evidence to the SPD's leadership, together with a letter of denunciation.

Alexander Parvus was born near Minsk in 1867.[4] He later went to Odessa, where he came into contact with organisations working to overthrow the Tsarist regime. He was not even twenty when he travelled to Switzerland and contacted Plekhanov, who was living in exile. He enrolled at the University of Basel and, after defending his dissertation, moved to Germany. There he met Karl Kautsky, Rosa Luxemburg and Clara Zetkin, and from then on became a regular contributor to left-wing newspapers. Within a few years he had become one of the leading theorists of the Social Democratic Party. Nor did he break off relations with Russia. He regularly sent his writings to the Russian revolutionary opposition, and was one of the links between German and Russian social democrats, meeting Russian revolutionaries in exile in his Munich apartment. It was here that he and Lenin the journal *Iskra*, and it was here that

[4] Source of biographical data on Alexander Parvus: Scharlau - Zeman 1964.

developed the theory of permanent revolution with his close friend Trotsky. In 1905, at the outbreak of the revolution, he travelled to Russia and, together with Trotsky, managed the Soviet finances in St Petersburg. After the defeat, he was imprisoned and exiled to Siberia, but managed to escape quickly and returned to Germany. He did not stay long here, however, as he became embroiled in financial scandals. On one occasion, his Russian revolutionary comrades complained to the leaders of the German Social Democratic Party that Parvus had collected and kept the royalties that Gorky was partly entitled to, which he was supposed to receive for his works performed in German theatres. Despite repeated requests and reminders, he did not pay back the huge sum of over 100,000 marks, but disappeared for a long time.

Later, it emerged in Turkey: as a supplier of foodstuffs to the Turkish army, which had amassed huge wealth. During the First World War, he was in contact with the German embassy in Constantinople. He approached the ambassador with the idea of how Russia could be withdrawn from the Eastern Front to ensure a German victory. The plan, worked out in detail, was that Germany would have to play a part in the overthrow of the Tsarist regime, and that this could be achieved by helping Russian revolutionaries to power, with whom Germany could later make a special peace. After the German Foreign Ministry studied the plan, Parvus was invited to Berlin. He soon travelled to Copenhagen on behalf of the Czarist government, where he used the funds allocated to him to set up an export-import front company.[5] The company brought together an information network and several trading companies. The former was intended to help the Russian revolutionaries by providing them with documents and propaganda material, while the latter was intended, among other things, to break the British trade monopoly and provide financial support to the Russian opposition.

Parvus met the Sklarz brothers in Denmark, who, like Parvus
operated companies in Copenhagen with the support of the German government. They set up joint economic interests, the activities of which later became the focus of the Ominous scandal. Meanwhile, relations between Parvus and the Russian revolutionaries deteriorated further because of his dubious financial dealings and his alleged links with the secret services.

[5] Here, Ulrich von Brockdorff-Rantzau, with whom Parvus and the Sklarz brothers maintained close relations, was a diplomatic official. Brockdorff-Rantzau served as Foreign Minister for five months from February 1919, and from 1922 he represented Germany as Ambassador in Moscow.

Leading German social democrats were divided on their assessment of Parvus. Some did not turn a blind eye to the activities of the entrepreneur, who ignored financial and accounting rules, and voiced their opinions. Parvus called his critics naïve, dismissing their accusations by saying that the days when left-wing theorists were supposed to be poor were over. He reminded them that Owen was a factory owner, Saint Simon, En- gels, Fourier were merchants and had good business deals.[6]

Thanks to his vast wealth, Parvus has made a living for a number of left-wing politicians by offering them the opportunity to publish in the journals he owns. He paid legendary royalties for their writings, and authors sought to honour their privileged position. According to several sources, Parvus, Sklarz and Brockdorff-Rantzau were actively involved in preparing the way for Lenin and some of his associates to reach Russia in 1917 with the help of the German government, but the full details of the case are still unclear (Hahlweg 1957. 314; Heresch 2000. 263; Luks 2007.
100; Klein 2014. 114)

The role of the media in shaping opinion

The attitude of the SPD leaders was changed by an article published on the front page of the *B.S.-Lokalkorrespondenz* newspaper on 25 November 1919.[7] In this article, the author, Kurt Sochaczewski, claimed nothing less than that during the revolutionary events of the year before, Sklarz and his associates had committed serious crimes with the knowledge and help of the SPD leaders. According to his allegations, Sklarz and Parvus obtained substantial state funds by vastly overbilling the activities of their businesses, while corrupting several leaders of the government in the Revolution. Sochaczewski also accused influential party figures of trying to cover up the fraud.

The article triggered an avalanche. The newspapers picked up the story the very next day and kept the issue on the agenda for a long time. The sources of the information published were mainly Hermann and Ernst Sonnenfeld and their collaborators Davidsohn and

[6] On Enlightenment. *The Bell*, 27 December 1919, 1215.

[7] gun slides. *B.S.-Lokalkorrespondenz*, 25 November 1919. The original newspaper article can no longer be found, but its content can be reconstructed from the references to it.

Master builder. The editors also sought to satisfy readers' curiosity with reports on the prosecution investigations followed the extremely serious allegations made in the articles, and criminal proceedings that followed. The press reports on the food shipments concentrated on details of the delicate foodstuffs that Ebert, Scheidemann and their fellow politicians received, while the people of Berlin were starving, three quarters of them were malnourished and a large part of the population suffered from lung disease. Such news was quickly believed by the Berliners. year earlier, in the days following the Emperor's abdication, news articles had appeared stating that huge stocks of food had been discovered in one of William II's palaces. The boxes were full of coffee, chocolate, olives and countless other delicacies, while carrot soup was considered a luxury by most of the population.[8]

The leaders of the SPD, yielding to circumstances, decided at the end of 1919 to set up a commission of inquiry to investigate the accusations of Sonnenfeld, Davidsohn and Baumeister. The investigation lasted two months. Both the accused and the accusers were summoned to the hearings. The latter gave contradictory testimonies on several occasions, and Davidsohn appeared only once, despite being summoned to appear. Ernst Sonnenfeld, who still in the Netherlands at the time of the Commission of Inquiry, admitted in a letter sent through his lawyer he had stolen from Sklarz, but otherwise maintained his accusations.

The unravelling of the threads was slow, because the operation of the economic enterprises concerned proved to be very complex, and some documents were classified early on, which would have been necessary to get a clearer picture. In any case, the investigation confirmed that Sklarz and Parvus had regularly foodstuffs from Denmark on behalf of the government during the war, and that this activity had not ceased with the coming to power of the new Social Democratic government, and that shipments had even been extended to include medicines and clothing. The Commission found no evidence to support the accusers' allegations that the enterprises were operating in circumvention of the chain of command and in circumvention of the international sanctions in force, nor that were used to regularly stock the social democratic leaders' home pantries and provide other luxuries.

[8] *Berliner Tageblatt*, 20 November 1918, 1.

considered the letter forming the basis of the accusation that Sonnenfeld attached to his report.[9]

The undated document is typewritten, the address and signature are handwritten. The alleged author was Philipp Scheidemann and the addressee was Ge- org Sklarz. The letter states that, in view of the extreme difficulties in supplying food to the population, the government is forced to authorise the use of unauthorised means to ensure supplies. According to Scheide- mann, the letter states, this requires a company with appropriate Danish contacts, sufficient storage space and the risk of bearing the legal consequences of liability in the event of such a situation. This company, the letter goes on to say, must not have any official links with the government and must not be housed in a building owned by the government. The letter also indicated that the company would be exempt from certain inspections by the public authorities and that it would be able to satisfy private claims. - In support of the latter claim, Sonnenfeld sought to show that the consignments included items such as fresh fruit, asparagus, chicken meat, foie gras, preserves and pralines, which could hardly have been intended for soldiers or manual workers.

Scheidemann denied the authenticity of the letter, was also unknown to Georg Sklarz. Sklarz claimed that he was motivated by a pure desire to help, that his actions were not dictated by business logic, and rejected any accusation that these transactions would have provided him with extra income. On the contrary, in view of the unpredictable political and military situation, he was taking a great risk, since there was no way of knowing how long the Ebert-Scheidemann administration would remain in power. The truth of what he said was out by the fact that he claimed that he had never received any money in advance and that he had always received payment on account. He also claimed that he never made any special deliveries to SPD leaders and their families, and that his businesses only supplied the government troops (Albrecht 2002. 147).

[9] The letter can be read in full in Albrecht 2002. 141-142.

The media and justice

The details of the operation of the Sklarz guardian-protector enterprise have not been clarified. The prosecutors could not provide sufficient evidence to prove that the private company was performing law enforcement tasks without legal authorisation, nor could they substantiate their claim that public money had been channelled to Sklarz through company without any checks. At the hearing, Scheidemann stated emphatically that Sklarz's activities were in the interests of the government and against extremist political groups (Albrecht 2002. 147) Sklarz confirmed this, adding that his company was not a business, that the members of the group voluntarily, motivated by political sympathies, and that Sklarz himself paid the expenses (Klein 2014. 110-111).

The accusation was also made that Scheidemann, Sklarz and Parvus were seriously responsible for the assassinations of Karl Liebknecht and Rosa Luxemburg. Hermann Sonnenfeld denied to the investigating committee Scheidemannt had any connection with the murders, but maintained his claim that he knew that the above-mentioned entrepreneurs had offered a reward of 100,000 marks to those who had volunteered to commit assassination, although he could not prove it (cf. Müller 1925. 74-75; Geyer 2010. 64; Klein 2014. 122).

Although the SPD's investigation did not reveal any criminal offences or abuses, the intensity of the attacks in public forums did not diminish, as the commission's findings were seen by many as a continuation of the fraudulent scheme. The whole affair placed a heavy burden on the party's leaders. Many people saw the accusations of enrichment of the entrepreneurs as justified, because the expensive balls and social events organised by the Sklarz brothers or Parvus were known throughout the city, and anyone could see the luxurious villas where the entrepreneurs spent their days.

The social-democratic leaders of the young republic were forced to make embarrassing explanations, not only for the legends of their fabulous enrichment, but also for the alleged ordering of a political assassination. They had to do no less than convince the public that they were untouchable, refute rumours of their wealth and prove that the new political system had never stepped constitutional framework, that it had only constitutionally imposed its own interests on its political opponents.

It has fought and continues to fight with all possible means to be the homeland of all German citizens, regardless of their personal political sympathies.

They also had to prove that they had not reneged on their earlier promise to create a transparent and clean public life, and that they would apply the same high standards to themselves as they expect of the country's citizens. They have had to make it clear that the fight against corruption is at the heart of their political credo and that corruption is not acceptable to them in any form. In short, they have undertaken the difficult task of rebuilding trust between society and political leadership.

One of the means of persuading public opinion was to go to court. In the Sklarz-Parvus case, many people initiated legal proceedings. The most notable of these were the criminal proceedings initiated by Philipp Scheidemann. The lawsuit against Hermann Sonnenfeld and the lawsuits the journalist Kurt Rhodin and Erich Prinz particularly well received. All three trials were primarily concerned with the Luxem- burg-Liebknecht murder, but also touched on the corruption angle. The first criminal trial was brought in April 1920 against Rhodin, who was accused by the prosecution of fraud, defamation and libel.

The story, with its fairy-tale twists and turns, is rather vague and bizarre. In his testimony at the trial, Rhodin claimed that had learned of the Sklarz-Parvus affair from the press in November 1919. In urgent need of money, he approached a Sklarz and offered him, in exchange for a large sum, the papers in his possession which were seriously incriminating the entrepreneur and his family members. However, the intended buyer refused do the deal, so he contacted other interested parties.[10] On this side, however, there was interest in documents, so Sonnenfeld, Davidsohn, Baumeister and Sochaczewski paid him an advance for the papers.

As Rhodin had no material, he decided to travel to Copenhagen and get it. A relative of Sochaczewski, who later turned out to be a policeman, accompanied him to the border. Rhodin succeeded with the German embassy because he managed to steal the coveted documents from one of the employees. However, the documents, referred to as "Danish material" during the procedure, were stolen from him at the border. On his return to Berlin, he was able to dictate to his clients, if only from memory.

[10] Tools and victims of the slanderer's headquarters. *Forward*, 16 April 1920.

[11] The majority of the papers, the testimony said, dealt with corruption at the Sklarz-Parvus companies, and proved the interconnectedness of the government and those companies, as well as providing insight into how the existing legislation was being circumvented.[12]

Rhodin, referring to the Luxembourg-Liebknecht murders, claimed that he had prepared the letter naming Scheidemann and Georg Sklarz as instigators at the request of Hermann Sonnenfeld.[13] clients of the "Danish material" acknowledged contacting Rhodin, but from the beginning they considered him a fraud and denied giving him money.[14] They continued to claim, however, that the "Danish material" existed, although they were ambiguous about its delivery to Rhodin, and they also claimed to know that the documents were eventually purchased by Sklarz. The court did not fully believe Rhodin's story, but found the defamation charge proven sentenced the journalist to nine months in prison. The court considered as a mitigating circumstance that the accused had acted as a consequence of his poor financial situation, but nevertheless considered it to be against good morals to try to obtain money by dishonest means instead of work.[15] Although Davidsohn and Bau meister were witnesses in this trial, the SPD leadership initiated proceedings to expel them from the party in the days following the verdict. The criminal proceedings against Sonnenfeld based on the accused's statement, published in the *Deutsche Zeitung* in December 1919 and previously discussed by the SPD's Commission of Inquiry, that Scheidemann and Sklarz had offered 100,000 marks to anyone who would kill Rosa Luxemburg and Karl Liebknecht.

that Scheidemann ordered the murders.

Rather, its aim was to draw attention to the activities of corrupt contractors operating in the SPD's environment. He was convinced that his son's employer, Sklarz, had caused considerable damage by embezzling public funds, and that when

[11] Scheidemann as joint plaintiff. *Vossische Zeitung*, 15 April 1920.

[12] The Rhodin trial. *Berliner Lokal-Anzeiger*, 16 April 1920.

[13] Tools and victims of the slander centre. *Vorwärts*, 16 April 1920.

[14] Scheidemann as joint plaintiff. *Vossische Zeitung*, 15 April 1920.

[15] The Rhodin trial. *Berliner Lokal-Anzeiger*, 16 April 1920.

indicated this to the party leaders, they did nothing about it, and his confidence in the new state and its leaders was shaken.[16]

Scheidemann's son-in-law, who was also employed by Sklarz, was summoned to the trial. Fritz Henks had to appear in order to confirm or deny Sonnenfeld's claim that Henks had repeatedly stated that whoever found Luxemburg and Liebknecht would receive 100,000 marks.[17] The confrontation was fruitless. Henks strongly denied any suggestion that he had anything to do with the murders, nor that his father-in-law or Sklarz had ordered the murders. Scheidemann also described earlier references to the SPD's role as a facilitator or supporter as a blatant lie. According to him, the party leaders were united in the view that the physical elimination of Luxemburg and Liebknecht would martyr communist politicians.[18]

The court eventually found the elder Sonnenfeld guilty and sentenced him to two months in prison because he had no evidence to support his claims.[19] The sentence was very light. The court explained that Hermann Sonnenfeld had no criminal record and had been cooperative throughout the proceedings. They also took into account the difficult psychological situation of having to defend his position against a person in a high public position.[20]

The court proceedings against Erich Prinz began after the prosecutor's office ordered his arrest in the summer of 1920. The former soldier, who had served in the Foreign Legion and had been head of the Berlin police security service until 20 November 1918, but remained in the ranks after his dismissal, handed over several documents to the lawyer Ferdinand Nübell in exchange for two thousand marks before his arrest. Nübell, who had strong ties to the right-wing DNVP, was involved as a defence lawyer in several proceedings in the Sklarz-Parvus case and was rumoured to have collected incriminating information on Sklarz.

The material handed over detailed the illegal actions of companies like Sklarz, and a note which in great detail

[16] Scheidemann v Sonnenfeld. *Vorwärts*, 17 June 1920.

[17] Scheidemann v Sonnenfeld. *Vorwärts*, 17 June 1920.

[18] Scheidemann v Sonnenfeld. *Vorwärts*, 17 June 1920.

[19] Prison sentence for Sonnenfeld. *Vorwärts*, 18 June 1920, The Scheidemann- Sonnenfeld trial. *Deutsche Allgemeine Zeitung*, 18 June 1920.

[20] The Scheidemann-Sonnenfeld trial. *Deutsche Allgemeine Zeitung*, 18 June 1920.

reported the capture of Liebknecht, Luxemburg and Paul Levy on 8 December 1918. The note was written by Prinz himself, not on the day of the events, but much later, in early June 1920. Prinz wrote that the sergeant who arrested the Communist leaders was acting on the orders of prominent members of the SPD. In the Sergeant's summary, which Prinz also used, there was a document in which Scheidemann and Georg Sklarz promised rewards and impunity to those who would capture and hold Liebknecht and his associates harmless.[21]

Prinz also reported that he managed to rescue the captured politicians, who then escaped the worst. The letter, promising impunity, was delivered to Sklarz under adventurous circumstances, who immediately recognised that the signature attributed to Scheideman on the document was forged. He went to the prosecutor's office and the investigation soon confirmed Sklarz's suspicions. Scheidemann then initiated criminal proceedings in court. During the trial, Prinz admitted that the disputed document was not an original, but insisted to the end that he had the original in his possession. As he was unable to produce it despite repeated requests, the court took the view that the document produced was a simple forgery. Prince was sentenced to six months in prison for forgery and defamation.[22]

The media and political sympathy

Since the scandal broke, the newspapers have been following the events. However, the way the case was presented was closely linked to the political sympathies and allegiances of the individual newspapers. The SPD's paper had no difficulty in pointing out that both sides in the case were (also) social democrats. From the beginning, *AVorwärts* defended the government and called those who started the scandal the inventors of unbelievable tales without any truth.[23] The latter accused the SPD of using the scandal as a political tool, not to find out the truth, but merely to discredit the new political system.

The gist of the matter, the paper summarised, was that some members of the government, as part of their cultivation of friendship with the Sklarsens, had sometimes accepted

[21] Klein quotes the document in full in Klein 2014. 131.

[22] The judgment in the Prinz trial. *Berliner Lokal-Anzeiger*, 16 December 1920.

[23] The hydra of defamation. *Forward*, 16 December 1920.

small gifts as a token of appreciation, enjoyed their hospitality and used their cars. However, it would be childish to classify these events corruption, since, the paper wrote, the essence of corruption is precisely the provision of material consideration in exchange for a favourable official decision.[24]

The paper never quoted the incriminating statements made to the government verbatim, but merely summarised them. It condemned as extremely damaging the behaviour of those SPD members who had played a role in the scandal. In particular, he castigated the activities of Baumeister, whom he portrayed as the instigator of the scandal.[25]

A completely opposite position was taken by *Freiheit*, the organ of the USPD (left-wing social-democratic party). It saw the incident as a vindication of its earlier position that the SPD's state was a continuation of the old regime by new means. He was tendentious in his selection of testimonies from the commission of inquiry and the court proceedings, citing mainly those who had made incriminating statements against SPD leaders.[26]

The SPD was also targeted by the communist newspaper *Rote Fahne*. It told its readers that the government had betrayed the working class and was exploiting the opportunities of power for the benefit of itself and its friends. The paper argued that those in power had never wanted to investigate the crimes committed because they had no interest in finding out the truth. The fact that several trials initiated by Sklarzék had ended in settlements, such as the one against the *Rote Fahne*, was seen as a sign that the guilty parties were better off remaining silent.[27]

The *Rote Fahne* also chose to quote at length from statements discrediting members of the government, and to short the refutations. It made no particular effort to unravel the threads of the case which did not seem to affect the SPD adversely. He never went into the fact that Nübell, Prinz and Sochaczewski had close links with the DNVP, nor did he discuss the financial resources that the DNVP had made available to them. On the other hand, the newspaper

[24] The disclosure campaign. *Forward*, 27 November 1919.

[25] A "party comrade". *Forward*, 3 December 1919.

[26] Haenisch and Parvus. *Freiheit*, 2 December 1919; The outcome of the Prince trial, *Freiheit*, 16 December 1920.

[27] Sklarz trial against the "Red Flag". *Red Flag*, 12 June 1920.

reported extensively on testimonies concerning the possible role of SPD leaders in Luxemburg-Liebknecht murder. *The Rote Fahne* did not question the veracity of the seriously incriminating statements.[28]

The *Vossische Zeitung* was moderate. It tried to remain objective in its reports and gave space both sides. Nevertheless, he condemned the criminal vilification of political opponents.[29] He advocated the observance of the democratic rules of the game, which he considered indispensable for the development of good political morals. He considered the latter to be of particular importance, since without it the new order could not be consolidated.[30]

It is legitimate to ask what motivated Sonnenfeld Jr. and Sr., Baumeister, Davidsohn and the others to undertake the ordeal of unleashing the scandal, and why Philipp Scheidemann was the most targeted. All concerned have consistently claimed to be fighting for the truth. Hermann Sonnenfeld's behaviour was essentially determined by the need to protect his son, who had committed a serious public crime by stealing from Sklarz. He must have thought that accusing Sklarz of corruption would weaken the position of his son's employer. There is no doubt that Ernst Sonnenfeld, as personal secretary, had confidential information about Georg Sklarz's business affairs. However, during the investigations he was never able to provide evidence that would have proved beyond doubt the guilt of the accused.

The driving forces behind the behaviour of Baumeister and Davidsohn cannot be pinned down to a single motive. Their statements suggest that they did not want to take action against the SPD as a whole, but only against politicians they considered corrupt. They turned to the publicity offered by the press when they felt that all avenues within the party had been closed to them. They both knew well what going public entailed, because they were both experienced editors and journalists. Baumeister, who a friendly relationship with Sklarz and Parvus before the affair broke out, was described by some of his party colleagues as a man of ambition but without scruples (Potthoff-Weber 1986. 210) It was he who knew all the players in the affair personally, and many saw him as the catalyst for the scandal. He often spoke out sharply the newspapers, but avoided the party

[28] The Prince process. *Rote Fahne*, 26 December 1920.

[29] The verdict in the Prinz trial. *Vossische Zeitung*. 16 December 1920.

[30] trial Prince. *Vossische Zeitung*, 26 November 1920.

open confrontation with leaders in face-to-face meetings. However, it was well known in the party's top leadership that it could not identify with Scheidemann's ideas on a number of important issues of principle and current policy.

Davidsohn also belonged to the left wing of the SPD. After the left-wing Social Democrats left the SPD, he worked obsessively to reunite the two parties. He was the strongest advocate of joint political action. In this context, he came into sharp contrast with Scheidemann, who, in turn, refused to hear of the SPD's shift to the left. Their dispute escalated into a mutual denigration.[31] At the time the scandal broke, Scheidemann no longer held any government position. When the German National Assembly voted in favour of the Versailles Dictate in the summer of 1919, Scheidemann resigned from the government. He retained his parliamentary mandate, but seemed to have lost political influence. In his public statements he continued to attack his political opponents with caustic venom, often even clashing with the SPD leadership. In fact, he only temporarily , and it was only in the late autumn that he became active again. His opponents in his party raised the possibility of his return to government.

The scandal has damaged the SPD, and with it parliamentary democracy itself. The parties attacking the republic from the right gloated in silence. affair seemed to have gone dormant, but accusations corruption, criticism of the government, conspiracy theories and anti-Semitism were always being invoked.

And it wasn't long before the next scandal broke.

[31] The Prince process. *Rote Fahne*, 14 December 1920.

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